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FISCAL IMPACT STATEMENT

LS 6928

BILL NUMBER: SB 375

NOTE PREPARED: Dec 31, 2009

BILL AMENDED:

SUBJECT: Charter School Funding.

FIRST AUTHOR: Sen. Taylor

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that basic tuition support for a charter school, excluding a conversion charter school, is based on the countywide average foundation amount per average daily membership (ADM) received by all school corporations located in the county in which the charter school is located, instead of the tuition support per ADM for the school corporation in which the charter school is located for a charter school not located in Marion County and instead of using the foundation amount for the school corporation where each student has residency in the case of a charter school located in Marion County.

Effective Date: July 1, 2010.

Explanation of State Expenditures: The bill would change the way the charter school formula is calculated for CY 2011. Currently, new charter schools not in Marion County receive funds for the first calendar year of operation from the same regular program funding as the school corporation where they reside. New charter schools in Marion County receive a weighted average of the regular program funding of the school where they reside, and charter schools that existed the year before are run through the school formula like other school corporations. The bill calculates the funding for all charter schools for CY 2011 based on the average regular program funding per student of the county where the charter school is located.

The impact for CY 2011 would depend on charter school enrollments. If the change were applied to the CY 2010 calculations, charter schools would receive about \$15.1 M less state tuition support. Approximately 43 charter schools would receive less tuition support, and 13 would receive more tuition support. The saving to the state would be about \$7.6 M if the same experience in CY 2010 was applied to CY 2011.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: See *Explanation of State Expenditures*.

State Agencies Affected: Department of Education.

Local Agencies Affected: Charter schools.

Information Sources: Department of Education databases.

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